UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF WISCONSIN

In re:

Chapter 11

Case No. 10-31515

Midwest Properties of Shawano, LLC, Debtor

AFFIDAVIT OF NAOMI ISAACSON IN SUPPORT OF DEBTOR'S OBJECTIONS TO EMERGENCY MOTION TO DISMISS CHAPTER 11 CASE

STATE OF WISCONSIN

: SS.

COUNTY OF SHAWANO

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Naomi Isaacson, being duly sworn, deposes and says:

- 1. I am the Chief Executive Officer of Dr. R.C. Samanta Roy Institute of Science & Technology, Inc. ("SIST"), U.S. Acquisitions & Oil, Inc. ("USA&O"), Midwest Oil of Wisconsin, LLC, Midwest Oil of Shawano, LLC, Midwest Oil of Minnesota, LLC, Midwest Properties of Shawano, LLC, and Midwest Hotels & Motels of Shawano, LLC. I am familiar with the operations, business affairs, and books and records of all the aforementioned entities.
- 2. On March 16, 2009, all of those entities filed for Chapter 11 bankruptcy protection in Delaware. That matter was dismissed on September 22, 2009. More than 180 days have elapsed since the case was dismissed. One of those entities, Midwest Properties of Shawano, LLC filed for bankruptcy protection in this Court on July 13, 2010.
- 3. The alleged reasons for dismissal as set forth in the Emergency Motion do not fall under 11 U.S.C. §109(g) as argued by counsel and illegally-appointed Receiver Krueger for Fox Communities Credit Union. In fact, 11 U.S.C. §109(g) does not apply to this case at all. That section only applies to individuals and family farmers, of which the Debtor is neither.
- 4. The bankruptcy Appellate Brief and Reply Brief attached hereto as **EXHIBIT A** sets forth in detail the reasons why the ruling of the Delaware bankruptcy court was in error. Beyond the legal reasons for the dismissal, is a larger political issue which was the driving force behind the bankruptcy filing in the first place. Just to give

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this Court an understanding of the global picture, I will give a brief history of impetus behind the filings.

- 5. The parent company of all the entities is the Dr. R.C. Samanta Roy Institute of Science & Technology, Inc. ("SIST"), a company based out of Shawano, Wisconsin. The President of the company is a man who is originally from India. Due to the racial and religious background of the President, we have suffered from unimaginable prejudice, discrimination, and business interference at the hands of Shawano City officials, particularly Shawano Mayor Lorna Marquardt.
- 6. Lorna Marquardt, the Mayor of Shawano, began her campaign against SIST and the businessman from India over seven years ago when she took office.
- 7. First and foremost, however, it is important for the Court to understand the nature of the relationship between Debtor and counsel/receiver for Fox Communities Credit Union (hereinafter "FCCU") who has filed the Emergency Motion to Dismiss the case.
- 8. On July 30, 2004, Debtor purchased two apartment buildings in Shawano, Wisconsin located at 463 Humphrey Circle and 1024 East Fifth Street. The properties were purchased on a Land Contract from Robert and Shannon Broder for a purchase price of \$575,000. (A copy of said Land Contract is attached hereto as **EXHIBIT B**.) Midwest Properties paid the Broders a down payment of \$100,000 which was the approximate amount of their equity in the properties. The Broders had a mortgage on the properties with FCCU out of Appleton, Wisconsin. The property was purchased subject to that superior mortgage and with the consent of FCCU. (A copy of the Mortgage between the Broders and FCCU is attached as **EXHIBIT C**.)
- 9. Pursuant to the Land Contract, the remaining balance of the purchase price of \$475,000 was to be paid in monthly installments of \$5,000 at the rate of 6.25 percent per annum. For the first year, payments were made directly to Fox Communities Credit Union. Thereafter, the Broders, working as agents for Shawano Mayor Lorna Marquardt, convinced us that we needed to make the payments directly to them due to a bank change. We were led to believe that the mortgage had been sold and the terms of that mortgage required that the payments be made directly by the Broders. As a result, we were required to pay the Broders and they in turn would pay the mortgage company. At the time of the closing, the down payment on the buildings was the Broders' equity. The balance on the Land Contract and the balance on the mortgage were the same. In good trust, for nearly the next three years, payments of \$5,000 per month were made directly to the Broders.
- 10. By way of background, for years, Shawano Mayor Lorna Marquardt has been upset that SIST was buying property in Shawano. She has openly made statements

that she would do whatever was necessary to stop SIST's acquisition of businesses and properties in Shawano. In fact, according to people familiar with her mayoral campaign, Shawano Mayor Lorna Marquardt's campaign platform was that she would drive the "dot head back to his mud hut" referring to SIST's Indian President.

- 11. The Broders used Midwest Properties' down payment to refurbish a restaurant which was located directly behind the apartment buildings. The opening of the restaurant coincided with the timing of when the Broders approached us to inform us that the monthly payments needed to be made directly to them. Immediately after the Broders opened their restaurant, Shawano Mayor Lorna Marquardt frequented their establishment on a daily basis. Undercover, many meetings and discussions occurred between Lorna Marquardt and the Broders while they formulated a plan undercover to steal the The local media working at Shawano Mayor Lorna apartment buildings from us. Marquardt's behest had saturated the local area with horrible publicity against SIST. After saturating the area with such atrocious publicity it was not difficult for Shawano Mayor Lorna Marquardt to work on any of SIST's lenders. The Broders, playing on the terrible publicity against SIST and its affiliates, claimed that the company that purchased the loan would not accept checks from an organization like us. Based upon what we had experienced with other lenders, it was a believable story.
- 12. In early 2008, we were contacted by Business Lending Group, the loan servicing company for FCCU, who indicated much to our dismay that the mortgage on the properties was seriously delinquent. Obviously, FCCU was part of the conspiracy. In over three years, never once did they notify us to tell us about the problem with the mortgage. Given the fact that they consented to the sale, we should have been informed if at any time they were not receiving the \$5,000 contractual monthly payments. It was only when we were contacted by Business Lending Group that we became aware that Broders' statements that the mortgage had been sold were utterly false.
- 13. Thereafter, we attempted to reach the Broders. Naturally, Shawano Mayor Lorna Marquardt's agents, the Broders, vanished. When we attempted to get the matter resolved with FCCU, we were directed to deal with Business Lending Group, their servicing company. In early 2008, I and three other board members went to Business Lending Group's office in Appleton to attempt to explain what had happened and try to resolve matters. We met with Mark and Steve Kools at Business Lending Group for less than five minutes before we were ordered to leave and told that they were not interested in having anything to do with a "CULT" organization. Thereafter, Business Lending Group refused to work with us and demanded that they be paid in full within a few days or they were going to start foreclosure. With respect to other financing needs, SIST had approached Business Lending Group on multiple occasions. On each and every occasion they denied the financing based solely up the racial and religious background of SIST's president.

- 14. On April 17, 2008, FCCU through their attorney David Van Lieshout filed for foreclosure on the property. Various sources have reported that throughout the years, Shawano Mayor Lorna Marquardt has solicited a number of local attorneys who will perform her wishes and mission of driving SIST out of Shawano and hurting us financially. Reportedly two of the attorneys who joined the campaign are this same attorney, David Van Lieshout and his associate, Steven Krueger, out of Little Chute, Wisconsin who brought this subject motion. According to what we have been told by many sources, these attorneys attend the secret meetings in Shawano regularly.
- 15. Thereafter, Attorney Van Lieshout, representing FCCU, brought a motion to have himself appointed as receiver. By Order dated September 5, 2008 in Shawano County Court File No. 08-CV-141, Attorney David Van Lieshout, was appointed as receiver of the aforementioned properties. That Order states in part that said receiver shall collect all rents that may become due and owing subsequent to September 2, 2008 and pay any expenses in connection with the operation of the properties.
- 16. Even though it was not provided for in the Order, Van Lieshout immediately called the police and hired a local locksmith to change all the locks on the buildings so Midwest Properties' representatives would have no physical access to the properties. Reportedly at Lorna Marquardt's direction, Midwest Properties' representatives were ordered by the police not to set foot on the properties under threat of arrest. Consequently, Midwest Properties' representatives were unable to even collect some of their own personal belongings which were on the premises. Thereafter, Van Lieshout immediately brought eviction actions against all tenants who were employed by SIST affiliated businesses. Naturally, all of those evictions were granted.
- 17. Then according to what we have been told, Van Lieshout working in conspiracy with Shawano Mayor Lorna Marquardt, hired Doug Knope, the Shawano Fire Commissioner and Shawano Mayor Lorna Marquardt's right-hand person, to start needlessly replacing the HVAC units in all the apartments with new units. Besides being the Fire Commissioner, Doug Knope is a major businessman in Shawano. Due to Shawano's limited population, his businesses had been struggling and he did not have enough jobs. To give Doug Knope business since he is Lorna Marquardt's pet and to run up our expenses in the event that we try to claim the apartment buildings back, Doug Knope was told to replace all the HVAC units with new ones to run up \$100,000 bill.
- 18. Conveniently, for the past 22 months, attorney and receiver Van Lieshout and/or his associate Krueger have collected all the rents from the buildings. While we have been provided no accounting of any sort, based upon the income generated during our operation of the properties, Van Lieshout should have collected nearly \$158,000 in rents since being appointed receiver. Contrary to the requirements of the Court Order, however, Van Lieshout has not paid expenses in connection with the operation of the properties. The real estate and personal property taxes on the buildings remain unpaid

until this day. According to the most recent statements and demand letters we have received, the delinquent real estate taxes on the properties total \$47,107.46. Now despite the City of Shawano's knowledge of the fact that the taxes are to be paid by Van Lieshout, the City of Shawano at Shawano Mayor Lorna Marquardt's direction is attempting to collect money from us. (See **EXHIBIT D** attached hereto and incorporated herein by reference.)

- 19. The prejudice and discrimination do not end there. Now, upon information and belief, Shawano Mayor Lorna Marquardt has directed Marlene Brath, Shawano Clerk Treasurer, to send us a letter threatening to take away all our business licenses because the taxes on these two buildings have not been paid. In fact, at Lorna Marquardt's direction they already took away our liquor license for the Kiryat Hotel. Where can we go from here? In what court do we have any remedy?
- 20. To date, Midwest Properties has paid nearly \$458,000 (\$300,000 in payments to the Broders and FCCU and \$158,000 collected by Van Lieshout/Krueguer as receiver on behalf of FCCU) for these buildings.
- 21. To this day, FCCU has refused to give us any sort of accounting of the payments that have been made on the loan and an accounting of the funds that they have received since the properties went into receivership 22 months ago. The original amount borrowed from FCCU in 2003, was \$483,500.00. After receiving payments all these years and collecting all the rents and paying no bills for the last 22 months, according to the notice published regarding the Sheriff's sale they claim to be owed \$452,353.36. This is absolutely outrageous! (See **EXHIBIT E** attached hereto and incorporated by reference.)
- 22. According to the most recent tax statements we received from Shawano County, the combined estimated market value of the apartment buildings is \$697,700. (See **EXHIBIT F** attached hereto and incorporated herein by reference.) For the receiver/attorney to assert that they are under-secured is disingenuous at best. For the last 22 months, the receiver/attorney has been allowed to commit waste with impunity. The real estate taxes have not been paid and the buildings are not being maintained.
- 23. As anyone knows, the costs of republishing the notice regarding the sheriff sale are inconsequential. Debtor has endured immeasurable losses due to racial discrimination being exercised by Lorna Marquardt and her secret group of which both Van Lieshout and Krueger are reportedly members. Accordingly, attorney/receiver Krueger's Emergency Motion is without merit and he should be sanctioned for the same.
- 24. These apartment buildings are just two of the many properties owned by the Debtor. With respect to nearly every other lender, Debtor negotiated payment arrangements and is and has been making the monthly payments. As counsel/receiver

Krueger has had control to all the rents from the properties, they have received their adequate assurance payments and will continue to do so.

- 25. Krueger and his client's conduct in refusing to negotiate in good faith and/or lend money to Debtor solely due to racial/religious reasons, is clearly in violation of federal lending regulations. Essentially, it is their conduct which has forced the Debtor into bankruptcy. Their illegal conduct and commission of waste should not be rewarded.
- 26. Even if the properties were under-secured, which they are not, a motion to dismiss is not the appropriate remedy. FCCU is just one of many lenders and their interests are by no means representative. Debtor is prepared to present the Court with a plan of reorganization within the time allotted by statute. The issues with this lender and the conduct of their attorney/receiver are representative of the issues faced by the company as a whole.
- 27. Based upon information from many sources, following Marquardt's assumption of power, a number of secret meetings were held in Shawano to strategize on the demise of SIST and its Indian President. Since 2003, upon information and belief, those meetings have occurred at least on a bi-monthly basis and are attended by Lorna Marquardt, various Shawano City officials, Shawano County judges, media, and local business persons. Following one of those meetings, a letter was circulated urging the public to boycott SIST businesses. Customers who did not heed the boycott mandate have been threatened, harassed, and intimidated. At the direction of Shawano Mayor Lorna Marquardt, the Shawano Chamber of Commerce cancelled our membership and tells customers that we are closed, have gone out of business, or never existed. This negative propaganda has been ongoing on a daily basis for years.
- 28. Another SIST affiliate, Midwest Hotels & Motels, owns the largest hotel in Shawano. Reportedly at Lorna Marquardt's direction, the City Police under one ruse or another storm through the hotel; take down license plate numbers of guests staying and the hotel, look them up, and then contact the guests to tell them we are a "CULT"; and stop and harass the guests as they leave the parking lot to disturb the guests and scare business away from the Indian man. A city employee told us that everyone who works at City Hall, tells everyone that they come into contact with not to patronize SIST businesses.
- 29. Throughout the years, the City has issued countless baseless citations and maliciously stormed SIST businesses to intimidate and harass SIST personnel and customers with the objective of running us down financially. SIST spends thousands of dollars of attorney's fees to fight them. Since the local judges are working in conspiracy with Shawano Mayor Lorna Marquardt, eventually, after spending money fighting the citations and appealing them, SIST has lost every case. Eventually, SIST has ended up paying them anyway or the City will not give us our businesses licenses. According to

many, it is all part of Shawano Mayor Lorna Marquardt's plan to leech money from SIST.

- 30. The Debtor owns a number of rental properties, whenever we get a potential tenant, City officials tell them not to rent from us and then they turn around and accuse us of having empty buildings. For tenants that do ultimately rent from us, Lorna Marquardt and her agents interfere with the relationship by telling tenants not to pay rent, not to sign the lease, or to make other unreasonable demands from us.
- 31. SIST owns the largest restaurant in Shawano which was leased to a tenant out of Indiana which operated a family restaurant called Ponderosa Steak House. The tenant was nearly two years behind in rent and owed SIST over \$200,000. As a result his lease was terminated. Shawano Mayor Lorna Marquardt and other members her secretive group did not want the Indian man to operate the restaurant and to compete with other restaurants in the town. According to many sources, Lorna Marquardt, other Shawano City officials, businessmen, and the Shawano Police Department then met and conspired together to demolish and destroy the building. Despite the fact that the lease had been terminated the tenant had refused to leave. One night, in the middle of the night, I was informed that furnishing, fixtures, and equipment were being stripped from the property. Since I happened to be in Shawano I went to see what was happening. Just after I arrived, Shawano Police officer Atkinson arrived and ordered me to leave the property. When I attempted to explain I was told to shut up and given 30 seconds to get off the property which was not even enough time to get back into my car. Totally unexpectedly, Officer Atkinson and another, placed me under arrest, jumped on me, twisted my arms behind my back, manhandled me and took me to jail. I am woman and an attorney. Many hours later, I was released from custody with a charge of loitering on our own property, a legal impossibility. After my release, I had two dislocated wrists and two dislocated shoulders. There is no chance for the innocent to survive in such a bigoted community.
- 32. The following day, after hearing on the radio and everything was available for pennies on the dollar, hundreds of people arrived at the building and began removing furniture, fixtures, and equipment from the building. As soon as I arrived at the site, I was ordered by Police Chief Whealon to leave the property under threat of arrest. Throughout the entire day, I was forced to watch from the public sidewalk as this building was gutted, pillaged, and destroyed. The police refused to assist in protecting our property and claimed that it was a civil matter. In fact, the police spent the entire day ensuring that we did not try to stop anyone from gutting, pillaging and destroying the building. People brought in chain saws and sawzalls to cut down signs, cut off plumbing pipes, remove electrical fixtures, and punch holes in the walls. In its current state, the building will take at least \$700,000 to \$1 million to repair and refurnish.
- 33. As mayor, Lorna Marquardt is the head of the local utility company, Shawano Municipal Utilities, hereinafter "SMU". They have passed policies which only

apply to SIST. SMU has repeatedly changed the utility meters on SIST businesses or residences of SIST personnel replacing them with meters with increased gear speed so that utility usage has increased ten-fold overnight. In fact, last week, the meters were changed at SIST businesses again. Even though SIST has been current in paying these outrageous utility bills, SMU illegally disconnects the power from time to time at their whim.

- 34. Our telephone communications have been interfered with. Every Friday, almost without exception, the phone systems in our hotels go down just in time to hinder weekend reservations so our occupancy goes down and thus our financial strength is affected. The same service calls are placed every week and, as always, it takes them the vast majority of the day before the phone systems start working again. Conversations on our phones are often followed up by a call to the person we were talking to threatening that person not to have anything to do with us. Our corporate cell phone lines are also being tapped, recorded, and interfered with.
- 35. Over the years, many people who say they were sent by Shawano Mayor Lorna Marquardt, drive by SIST headquarters to scream obscene epithets, to throw rocks, eggs, tomatoes, and beer bottles, to shoot arrows through the windows, and start the trees on fire. People have fired bullets at SIST properties, blown up a bomb, cut mail in the shape of a pistol and put it back in the post office box as a threat, leafleted various SIST businesses with death threats, posted death threats on various SIST properties, and repeatedly called various SIST business establishments making threats of the same. All of these death threats have been directly or indirectly directed at SIST's Indian president. The purpose is to scare us into leaving town so that they can capture our properties for pennies like vultures.
- 36. According to what we have been told, through their common race and religion, Shawano Mayor Lorna Marquardt has wrapped her tentacles around the judiciary system including Shawano Municipal judges, Shawano County judges, Wisconsin Appellate Court judges, the Federal District Court judge in Green Bay, Seventh Circuit Appellate Court judges, and even U.S. Bankruptcy Court Judge Kevin Gross in Delaware. We have been told that the attorney representing the City of Shawano in Delaware socialized extensively with Judge Gross and passed along Lorna Marquardt's message. We have spent millions of dollars in legal fees and have not been successful in a single case. One would expect that in the United States one could find justice, but finding justice has been like seeing the full moon in the middle of a thunderstorm. Until someone walks in our shoes, they will not be able to believe or fully comprehend the gravamen of our situation.
- 37. In specific, since Shawano Mayor Lorna Marquardt took office, we have been approached by a number of people, some of which were Shawano City officials and

some were even Shawano Mayor Lorna Marquardt's right-hand people, who demanded that we sell our assets and leave Shawano. A prominent businessman in Shawano told us that the City of Shawano and Shawano Mayor Lorna Marquardt were not going to change their racial views towards SIST and its President. We were told that if we did not leave, then the City of Shawano would do whatever it needed to do to get rid of us. To that end, throughout the years Shawano Mayor Lorna Marquardt has come up with scheme after scheme in an attempt to destroy our business operations and bring about the demise of SIST's Indian President. Throughout the years, we have uncovered countless plots to destroy us. While we have been wounded by these ploys many times, at least we have managed to survive.

- 38. Ever since SIST built a \$12 million race track in Shawano, leading City and Town of Wescott officials have done everything in their power to hinder and impede, using the "noise" excuse or other regulations to shut the track down and limit our hours of operation to hurt us financially. Before a hearing on our conditional use permit, Lorna Marquardt got on the radio encouraging everyone to come to the hearing to complain about the "noise". At her behest, people came out of the woodwork to complain about the noise when in reality the go-karts that drive on our track 1 ½ miles out of town make virtually no noise in comparison to the "Nights of Thunder" at the Shawano Speedway right in the middle of downtown Shawano which is headed by Lorna Marquardt, as the For years, senior citizens have been complaining about the noise every Friday and Saturday night. Their complaints have gone unanswered. In early 2005, SIST purchased a parcel of land in Shawano for overflow parking for the racetrack during major international events. These events brought millions of dollars in revenue to the City. The City ran out of accommodations, food, and merchandise. As soon as Shawano Mayor Lorna Marquardt learned that SIST purchased the property for overflow parking, City officials measured the distance between the racetrack and the overflow parking lot. Lorna Marquardt then decided it was illegal to park at the lot and ordered that citations be issued in hopes that by making us pay a hundred here and a thousand there, eventually we would give up and let the city take over the racetrack. When that did not work, she came up with her next plan.
- 39. Her next scandal was the "hit list". According to what has been reported to us, Lorna Marquardt and others contacted a man from Canada named Robert Cameron who approached us under the guise of wanting to be hired as a promoter for the racetrack owned by an SIST affiliate. On the condition that he was hired as the promoter for the business, Robert Cameron was going to lend us \$10 million against the racetrack. SIST was required to pay \$175,000 advance on the promoter fee and the loan was to be funded within 24 hours. Extensive loan and business consulting documents were executed. In fulfillment of our obligations in accordance therewith, the \$175,000 was wired to Robert Cameron. After receiving the \$175,000, Robert Cameron disappeared and never funded the loan or showed up to begin promoting the racetrack.

- 40. A couple of weeks later, Cameron showed up at an SIST business and told us that he had been planning the swindle with Lorna Marquardt and other officials for months to destroy SIST properties and financial power. To cover-up their robbery of our \$175,000, Lorna Marquardt and her associates generated a "hit list" which contained the names of a number of people in Shawano and directed Cameron to go to authorities some of which assisted in authoring the list, claiming that he had been hired as a "hit man" in exchange for the payment of the \$175,000. According to Cameron and media reports, the "hit list" was entitled "Red Rum".
- 41. Based upon their fabricated "hit list", the following day, Wednesday, November 12, 2008, Shawano City officials alerted the world of their seditious terror and instituted a security alert in the City of Shawano. Based upon their concocted list, they claimed that the lives of sixty people had been threatened and that SIST was the suspect. Since the media were in their pockets, within minutes, the Shawano City officials were able to spread this venomous lie across the country and start a baseless, treasonous national security alert against SIST. On the evening of November 13, 2008, I gave a Press Release which exposed the conduct of the City. Not surprisingly, the following morning, November 14, 2008, I was arrested while I was at a court appearance in Shawano City Hall on some bogus citations issued at Shawano Mayor Lorna Marquardt's direction.
- 42. Lorna Marquardt called upon the media members: Mikel Lauber of Channel 7, a CBS affiliate; Lou Hillman of WLUK Fox 11; Natalie Arnold of WBAY Channel 2, an ABC affiliate; Tammy Elliot, Erin Davisson, and Tom Zalaski of WFRV Channel 5, a CBS affiliate, to keep blasting the "hit list" lie.
- 43. Approximately two weeks later, we began receiving text, email, and voicemail messages from Cameron making death threats on the lives of SIST personnel if we did not work out a deal with him quickly. We were afraid for our lives and had no interest in having any further contact with him. Apparently, what Cameron was looking for was for SIST to give him title to the racetrack or else he was going to go on public television and say that he had been given the \$175,000 to hire him as a "hit man". Needless to say, SIST did not give in to Cameron's blackmail and refused to have any further contact with him.
- 44. Shortly thereafter, Shawano Mayor Lorna Marquardt called upon Mikel Lauber once again. Mikel Lauber and Armen Keteyian joined together to do a national story about Shawano's fabricated hit list in hopes of giving the lie more legitimacy. In the CBS national program, as Shawano Mayor Lorna Marquardt directed, Cameron claimed that actually SIST paid him \$175,000 to kill sixty people in Shawano. As a result of that lie, SIST and its personnel have suffered tremendously.

- 45. Despite the fact that the FBI investigation revealed that no crime had been committed by SIST or members of its Board of Directors, the media keep blasting "hit list", "hit list", "hit list" until this day. When the FBI investigation was closed, reportedly, Lorna Marquardt was furious and ordered them to reopen the file. Still they have found nothing.
- 46. After seeing that they were unsuccessful in capturing the racetrack by that scheme, Shawano Mayor Lorna Marquardt has been waiting for another opportunity to wage an attack particularly since the schedule was fully booked. It would be the best time to harvest the work of someone else's labor. According to many people familiar with the meeting, six weeks ago Lorna Marquardt and others met in Shawano to plan how to capture SIST's world-famous racetrack. Upon information and belief, the attorney/receiver who is the same attorney/receiver bringing this motion, surreptitiously went to this meeting in Shawano. Following that meeting and admittedly based upon rumors which perhaps he started, Krueger approached Shawano County Judge Habeck ex parte and without any notice to us got the judge to sign an order appointing himself as receiver of the property. This May 28th, "emergency" Order was based upon counsel/receiver's stated concern that property would be removed or damaged. Said "concern" is nothing but another lie. To this day, we have never received a single piece of paperwork evidencing the basis for his motion.
- 47. On a Friday afternoon, dozens of law enforcement vehicles including Shawano County Sheriff's deputies and Shawano City Police officers arrived suddenly at the racetrack. About a dozen armed sheriff's deputies and Shawano police officers escorted the personnel off the premises under threat of arrest and likely at gunpoint. Dozens of contractors, maintenance persons, employees, board members and others have belongings on the property. The receiver refuses to return the property and claims it all belongs to him. Where can all these people go to get their property back? Thereafter, the gate to the property was locked and personnel were told by Josh Henry, the individual that the receiver hired to manage the park, that if any one of the "CULT" members set foot on the Property, he was instructed to call the police to have them arrested.
- 48. Thereafter, the receiver/attorney proceeded to get an order that ordered us to return property that belonged not only to the park but also to individuals under the threat that he would have Shawano County Sheriff's department raid, search and seize the property from any of our warehouses.
- 49. Like the apartment buildings, this receiver/attorney is already allowing the property to deteriorate. Gross mismanagement by the attorney/receiver has been a pattern and practice. Upon information and belief, due to no maintenance the swimming pool at the racetrack turned green with algae and had tadpoles in it. Rather than the property being open 12 hours per day for business as it was prior to the imposition of the receivership, it is now only open 4 hours per day twice a week. The motocross cross

track requires daily maintenance. To date it has not been maintained on a single day. The track is being destroyed. The track will be unusable shortly and will have to be demolished. Prior to the receiver taking control of the Property, Appellants had hanging flower baskets and greenery installed throughout the Property. The same was done at great expense. Meanwhile, the plants which require watering three times a day in addition to nourishment, have died. The lawns have not been properly maintained.

- 50. Since the receiver/attorney who has been reported to attend Lorna Marquardt's meetings has taken control of the racetrack/amusement park, now suddenly the no parking signs which were always posted along the road to prevent us from allowing customers to park along the roadway during large events, have come down. Special events permits and camping permits are no longer needed. They can have a beer license with no bar tender. The list goes on and on.
- 51. One time a man who used to be on SIST's board, called Lorna Marquardt a red-headed orangutan since Lorna Marquardt has red hair and he was upset about her actions against SIST. Lorna Marquardt immediately went to Tom Grover, Shawano County judge, and got harassment and restraining order and filed a lawsuit against him and SIST for \$600,000. That lawsuit is still pending. In the media every day, President Bush, President Obama, and thousands of other politicians are criticized, ridiculed, and cartoon characters are drawn of them. Have any of them ever thought about suing? But, in Lorna Marquardt's homemade court, any lawsuit against SIST stands.
- Lorna Marquardt has used the local media to propagate her personal 52. vendetta against the businessman from India. The City has worked concertedly with the Shawano Leader, the local newspaper, WTCH, the local radio station, and many local television stations. The most appalling false and fabricated stories have been done by Channel 7, a CBS affiliate television station out of Wausau, Wisconsin and WLUK Fox 11 out of Green Bay, Wisconsin, which have aired a number of unconscionable programs against SIST and its Indian President, and then posted their programs on the internet. Their sites are being used to make death threats, racial slurs, and outrageous baseless allegations against the Indian businessman, to incite and encourage the public to physically and sociologically harm him and ultimately kill him, and destroy SIST's Other local television stations which have joined the campaign include businesses. WBAY Channel 2, an ABC affiliate; WFRV Channel 5, a CBS affiliate; NBC 26, an NBC affiliate. Thereafter, these Shawano City officials forged a relationship with Rick Ross, an individual, who claims to be a cult expert and hosts a website at www.rickross.com. Within minutes of publication in the local paper, the slanderous articles published by the Shawano Leader and other media venues are put on the Rick Ross website and published around the globe. Since the Shawano City officials have worked concertedly with the local media venues, they have been able to easily spread their seditious stories around the globe.

53. A sampling of the death threats contained on the local media websites are as follows:

Someone just needs to take them (SIST) out!!!! Enough is enough. Nothing a few stray bullets from some nearby deer hunters couldn't manage.

I sure hope he gets the death penalty! TO THE GALLOWS!

Thank you News 7 for your worthwile report. Now get the local authorities to act on this. Old saying "Run them out of town on a rail" you know the first sentence!

Why can't they go in there like they did in Waco Texas and raid the place

Someone just needs to take them (SIST) out!!!!

- 54. Thus, because of all the intentional slanderous and defamatory programs on the internet, despite our financial credentials, SIST and its affiliates began to experience denial for loans regardless of where we applied. As any businessperson knows, a healthy borrowing relationship is necessary in order for business to grow. I personally have been at several loan closings, only for the closing to be interrupted by a phone call to the lender sitting on the other side of the table executing documents. The identity of the lender, and the location and time of closing were obviously leaked to certain Shawano City officials either by the local title company employees or Shawano County employees. Immediately after the phone call, the lenders left the table requesting more time to consider our request and have refused to answer any phone calls since then. This has happened time after time.
- 55. For the few loans that have actually been surreptitiously consummated, following the closing, when the mortgage documents are recorded, these officials find out who the mortgage holder is. Then frequent calls are made to these lenders to ensure that they deal harshly with this Indian businessman, make unreasonable demands, and urge them to foreclose.
- 56. Individuals we have purchased properties from have received endless calls from Shawano City officials trying to persuade those individuals not to sell to him. These officials and the Shawano Leader have tracked our property purchases. Every time we purchased a property, the Shawano Leader, the local newspaper, published who the property was purchased from, how much was paid for it, and who financed it. Additionally, the articles rehash the history of all prior property purchases. An October 11, 2004 Shawano Leader article, even published a map showing the location and address of each property purchase. No wonder only our buildings get vandalized repeatedly. The buildings are burglarized, windows are broken, and people drive into the sides of the buildings, spray graffiti, and dump truckloads of garbage on our properties.

- 57. These same officials have tracked our banking relationships. Calls have been placed to those banks, filling various individuals' ears with slanderous trash. Without notice, our accounts have been closed and assets frozen. Some accounts were only open one day before they were closed, some only open one week, and some only one month. It has happened time after time. Not a single bank in the city of Shawano will open an account for us.
- 58. Customers are sent to our gas stations and encouraged to drive-off without paying for the gas. When we contact the police, the dispatcher sends Lorna Marquardt's grandson, who is an officer for the Shawano police department, who reports that the customers were too afraid to come inside to pay. They are then sent away with a pat on back. Individuals are encouraged to rob our gas stations and despite having all the information of who did the robbery, nothing can be done.
- 59. Shawano Mayor Lorna Marquardt and/or her agents have contacted every federal, state, and local agency to file baseless complaints against SIST, its President, and other SIST personnel. Due to the baseless complaints, allegations, and accusations made by Shawano Mayor Lorna Marquardt: SIST, its Indian President and other SIST personnel have endured years of needless torture, interrogation, harassment and financial drain. Many of these officials have openly made racist, hostile, and derogatory remarks about SIST's Indian President.
- Shawano Mayor Lorna Marquardt's and the City of Shawano's activities with respect to these two buildings are a prime example of the racial and religious discrimination and business interference that SIST and its subsidiaries face on a daily basis
- 61. We have all heard about other countries around the world where there is allegedly no justice. Yet, in all these years, SIST has never received any justice. We have requested a Senate investigation into this matter. The outcome of that remains to be seen. We appeal to this Court to make a ruling based on justice and the law.

NAOMI ISAACSON MANAGING MEMBER

Midwest Properties of Shawano, LLC,

SWORN TO AND SUBSCRIBED BEFORE ME

THIS _____ ADAY OF JULY 2010

Notary Public
my Com mission Expires March 10, 2013

DARLENE SENSE Notary Public State of Wisconsin